Ohio Cooperative Development Center

Insight into Current Cooperative Development

Nov / Dec 2013

in this issue >>>

OCDC at MACC Roundtable
Food Hub Workshop Held
Seed Grants Available

USDA Announced Record Performance
USDA Micro Loan Program

Brought to you from
Ohio State University South Centers,
Ohio Cooperative Development Center
Cooperative Food Hub Funding Workshop Held

OCDC Partnership Mission: To enhance economic development, education, and business development in OH and WV by assisting new and existing local foods and farm-related cooperatives.

In October, the Ohio Cooperative Development Center (OCDC) hosted the OCDC OSU–WVU Extension Partnership Cooperative Food Hub Funding Workshop at OSU South Centers in Piketon. Christie Welch, OCDC Program Manager welcomed all in attendance.

This cooperative development partnership actively facilitates critical community projects such as Food Hub development by assisting in the expansion of local efforts to create full-time, profitable, financially viable local food businesses. USDA defines a Food Hub as: “a centrally located facility with a business management structure facilitating the aggregation, storage, processing, distribution, and/or marketing of locally and regionally produced food products.” OCDC understands that farmers are critical in these efforts and give consideration to maintaining and even assisting to increase the number of farming professionals.

Dr. Tom Snyder, OCDC OSU-WVU Extension Partnership Program Manager, described OCDC’s current Food Hub and Grower development plans. Dr. Snyder identified the need and showed attendees the potential for economic impact. He also defined a Growers and Hub Business Support System currently in development as well as introduced the Local Food Network Education/Business Development Sub-Committee members involved in one undertaking.

The question and answers Start-up and Operational Loans Panel was a big success with many receiving contact information and answers to specific questions. The panel was comprised of Gary Weidenborner with CoBank, Isaac Singer with Farm Credit Services, Valerie Heiby with Finance Fund, and Meagan Barnes with OSU South Centers Business Development Network. Also, John Hemmings, Director of the Ohio Valley Regional Development Commission spoke about grants and other community funding options.

The grand finale included presentations on successful cooperative projects. Jacqueline Kowalski revealed the many works taking place in Cleveland with the Cleveland Crops and Kinsman Project; and Steve Fortenberry and Greg Bowman shared the ongoing progress with the Goodness Grows Adults with Disabilities, and Corrections Projects.

Jacqueline Kowalski described successful metro farm development, Cleveland Crops & Kinsman Farm Project
OCDC Seed Grants Available for 2013-2014

The Ohio Cooperative Development Center (OCDC) at The Ohio State University South Centers is offering reimbursement seed grants to groups interested in exploring or growing a cooperative. Cooperatives are legal businesses that form when members of the group can do something better together than they can individually. There are many different types of cooperatives in Ohio. They range from farmers’ markets and local food hubs, to health care providers, industrial cleaning enterprises, and manufacturers.

Groups interested in forming a cooperative may request up to $1,500 for research and early planning, feasibility study, and formation services. Examples include legal and/or professional fees, focus groups, development of articles of incorporation, financial projections, and other feasibility and/or formation work.

Incorporated cooperatives or member controlled businesses may request up to $3,000 for assistance with the expansion of the cooperative into new markets and/or enterprises. Examples of eligible expenses include marketing and promotions, contract services, training and development, accounting systems, bylaw completion, and contractual document development.

Recipients must provide 25% matching funds for project costs with their own resources. This is a reimbursement program and the project must be completed and proper documentation provided for reimbursement.

If your existing or emerging cooperative is interested in applying for this program, email Kimberly Roush at roush.143@osu.edu, call 740-289-2071 x232, or go to http://southcenters.osu.edu/cooperatives under the Seed Grants tab to download an application.

The Ohio Cooperative Development Center is supported by the United States Department of Agriculture and The Ohio State University South Centers.

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Co-op Spotlight --> Our Harvest

Our Harvest, the first unionized worker-owned cooperative has formed and is growing rapidly. Our Harvest has adopted the Mondragon worker-owner cooperative model to create family sustaining jobs in Cincinnati while at the same time working to provide equal access to locally produced fresh foods. Our Harvest, a food hub serving the Cincinnati area, is supplying local foods produced by its worker-owners as well by other local growers. The co-op recently received funding from CoBank and Farm Credit Services to help this new and emerging cooperative expand its production, aggregation, and distribution of locally produced foods for the Cincinnati region. Our Harvest is marketing its produce direct to consumers through a 200 member CSA and farmers’ markets, to Cincinnati State Technical and Community College and Cincinnati State University students by supplying fresh vegetables for their cafeteria salad bar, and to retail grocers and restaurants. In addition, Our Harvest is working to grow new growers through an apprenticeship program and training farm. As participants of the program graduate, they can then become worker-owners of Our Harvest ensuring future generations of farmers for the region. http://
OCDC Participates in the Mid America Cooperative Council Roundtable

The Mid America Cooperative Counsel recently held a roundtable for the cooperative development centers in the Midwest. The Ohio Cooperative Development Center Program Manager, Christie Welch, and Program Specialist, Dr. Tom Snyder, participated in the two-day event held in Indianapolis, Indiana. The event is designed to allow sharing of ideas on cooperative development from other centers. The event was hosted by the Indiana Cooperative Development Center.

This event, which is held twice per year and lead by the Mid America Cooperative Council, provides professional development opportunities for staff. The event highlights programs and projects from the various cooperative development centers and provides an opportunity for centers to collaborate on regional projects. One such project is the development of a series of short videos that will be available on the OCDC website which will share information about the cooperative business model and how it can be used as an economic development tool for groups and organizations. To learn more about the Mid America Cooperative Council, visit www.macc.coop or the Ohio Cooperative Development Center, visit http://southcenters.osu.edu/cooperatives.

Winter is a great time to consider your business options for future success and remember...

“It is through cooperation, rather than conflict, that your greatest successes will be derived.” - Author Unknown
The 100 largest agricultural cooperatives reported revenue of $162 billion in 2012, a new record and an increase of more than 9 percent over 2011, when revenue was $148 billion. Net income for the 100 top cooperatives also set a new record in 2012, reaching $3.5 billion, up from the previous record of $3.1 billion in 2011.

Further details about the top 100 largest agricultural cooperatives are available in the September/October 2013 issue of Rural Cooperatives magazine.

(USDA Release No. 0199.13)
A local foods cooperative development and support services partnership program is being offered to Ohio and West Virginia Extension Educators by the Ohio Cooperative Development Center (OCDC).

The OCDC OSU-WVU Extension Partnership is in year three of developing a well-trained two-state support team working together to increase the quality, number, and size of local foods-based businesses including growers, local foods stores, markets, process kitchens, distribution systems and more.

An increasing interest in the development and assistance services targeted at local foods businesses is exploding in our OCDC two-state service area and in the nation. Local Extension Educators are essential partners in the development of a cooperative supply chain structure of local foods businesses.

The cooperative development and support program targets existing and start-up businesses operating in the local foods supply chain.

OCDC provides a train-the-trainer program, support services, and materials to strengthen the ability of Extension Educators to provide services needed to support new and emerging cooperatives.

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**Uni-Serve USA**

Uni-Serve USA pulled together a group of seven privately-owned commercial exhaust cleaning companies across the United States and began developing the framework for the cooperative. Uni-Serve USA is a network of hood cleaning companies across the nation with the ability to compete with the national subcontractors in the field.

The cooperative allows restaurant groups to have the convenience of centralized billing and reporting that comes along with the national coverage, as well as the customer service and immediate response that you get from a local service provider. Uni-Serve USA currently has 20-plus companies as cooperative owner/members and a preferred vendors list that reduces the cost of doing business by acting as one company instead of several small companies.

The Uni-Serve USA cooperative also joins with other cooperatives to offer additional benefits and services to its owner/members such as the ability to participate in benefits offered through the United Regional Purchasing Cooperative (URPC) along with BizUnite and Employee Perks.

This cooperative-among-cooperatives arrangement allows Uni-Serve USA owner/members to get deep discounts from national vendors such as Sprint, Grainger, ADP, and many more. As a result, Uni-Serve has reduced the cost of doing business for its owner/members. According to James Luebke, President, “our marketing plan is better able to compete with the national subcontractors. It has given us the ability to reduce costs without eliminating our quality customer service. Many jobs have been created and costs avoided with the new cooperative business design.” For more information, visit [www.uni-serveusa.com](http://www.uni-serveusa.com).
Farm Credit Mid-America Begins New Initiative

Farm Credit Mid-America (FCMA) will officially begin a new initiative on engaging, educating, and supporting young and beginning farmers through Farm Credit Mid-America’s educational and lending programs. Local foods and sustainable agriculture also falls within this scope of financing. FCMA is excited to listen to the goals of those looking to enter the agriculture industry and provide the knowledge needed to succeed in food production.

Each region in the four state territory (Indiana, Ohio, Kentucky & Tennessee) will have champions that are willing to work with these new markets. FCMA is specifically looking for customers who are willing to put a business plan together, work through training modules focused on financing and production, and have or will have financial needs. Farm Credit Mid-America will also provide a loan officer relationship that will help young and beginning farmers reach their program goals.

FCMA is officially taking applications for financing in this program on February 1st. We will begin taking applications for our educational program on August 1st. For further information about FCMA, please visit www.e-farmcredit.com or call 1-800-444-3276 to be routed to your local office. For questions on the educational component, feel free to contact Jessica Lehman at Jessica.lehman@e-farmcredit.com.

Co-op Spotlight ==> Farmers Markets Management Network

Farmers Market Management Network (FMMN) is a cooperative of Ohio farmers’ markets managers and vendors/producers who have come together to provide networking, shared services, and consistent messaging with regulators. Formed in 2008, FMMN has worked to provide information and training for the rapidly increasing number of farmers’ markets throughout Ohio.

The FMMN works with many groups throughout the state to help educate managers and producers on food safety regulations, best marketing practices, and shared service such as access to insurance for Ohio farmers’ markets and their vendors/producers. In addition FMMN has partnered with the OSU South Centers to hold an annual Ohio Farmers’ Markets Conference which is going into its fifth year and has been very beneficial for individuals interested in farmers’ markets. For more information, visit www.fmmn.org.

Co-op Spotlight ==> Fifth Street Brewpub Cooperative

Fifth Street Brewpub Cooperative: Ohio’s first cooperative brewpub formed in the St. Anne’s Hill Historic District in Dayton, Ohio and held their grand opening Aug. 3, 2013. The founding members of this cooperative had the goal of creating a place where the neighborhood residents could come together in a relaxed and enjoyable atmosphere, create a sense of community that can be lacking in today’s technological age, and have positive economic and social impacts on their neighborhood. As a result of the innovative use of the cooperative business model, the Fifth Street Brewpub currently boasts 2050 members and continues to grow. In July they received the Preservation Award from Dayton History.

This hugely successful venture has enhanced the neighborhood and will continue to reap positive benefits both economically and socially for this area. For more information, visit http://www.fifthstreet.coop/.
final thoughts...

“The cooperative business model can sometimes be overlooked or misunderstood as being socialist by nature, but cooperative development impact numbers continue to increase. They are increasing profits locally and increasing jobs in urban and rural communities.

OCDC works to assist cooperatives to form and expand their reach in their communities using new, piloted business models as they emerge.

New cooperatives are forming. Existing cooperatives are adjusting, merging, and expanding to compete in their respective market.

If your group would like to explore the cooperative business model, please contact the Ohio Cooperative Development Center at 740-289-2071 x234 or check out our website at http://southcenters.osu.edu/cooperatives.

Christie Welch, The Ohio State University South Centers, OCDC Program Manager

Ohio Farmers’ Markets Conference
March 13 & 14, 2014
Dublin, Ohio.

http://southcenters.osu.edu/cooperatives